

AMENDED IN SENATE JUNE 18, 2002
AMENDED IN ASSEMBLY MAY 15, 2002
AMENDED IN ASSEMBLY MAY 7, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2714

Introduced by Assembly Member Aanestad

February 22, 2002

An act to add Section 401.16 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2714, as amended, Aanestad. Property taxation: valuation.

Existing law requires that all property that is subject to property taxation be taxed at its full value. Existing law requires the State Board of Equalization to issue to county property tax assessors data that, in the judgment of the board, will promote uniformity in appraisal practices and assessed values throughout the state.

This bill would ~~prohibit~~ *require* county assessors ~~from depreciating, who depreciate~~ the taxable value of tangible personal property or trade fixtures by the use of ~~minimum~~ percent good factors ~~that are determined in an unsupported manner~~ *that include a minimum percent good, to determine the minimum percent good factors in a supportable manner*. The bill would also prohibit county assessors who depreciate this property using percent good factors published by the State Board of Equalization that provide separate factors for property that is first acquired new and property that is first acquired used, from averaging the published factors to apply these factors to both classes of new and

used property, *unless information reported by a taxpayer does not indicate whether the property was first acquired new or used.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 401.16 is added to the Revenue and
2 Taxation Code, to read:

3 401.16. If, for purposes of property taxation, the county
4 assessor utilizes the reproduction or replacement cost approach to
5 value to determine the value of tangible personal property or trade
6 fixtures, both of the following apply:

7 (a) (1) If the county assessor depreciates this property using
8 percent good factors published by the State Board of Equalization
9 that provide separate factors for property that is first acquired new
10 and property that is first acquired used, the assessor may not
11 average the published factors to apply these factors to both classes
12 of new and used property.

13 (2) *Notwithstanding paragraph (1), if information reported by*
14 *a taxpayer does not indicate whether this property was first*
15 *acquired by the taxpayer new or used, the assessor may average*
16 *the published factors.*

17 (b) If the county assessor depreciates this property using
18 ~~percent good factors, the assessor may not depreciate that property~~
19 ~~using minimum percent good factors that are determined in an~~
20 ~~unsupported manner. percent good factors that include a minimum~~
21 ~~percent good, the minimum percent good factors shall be~~
22 ~~determined in a manner that is supportable.~~

